

# CONTROLLER JOHN CHIANG

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## Chiang Issues Statement on Preliminary July Cash Figures

**SACRAMENTO** – State Controller John Chiang today issued the following statement on the preliminary cash receipts for July:

“On Monday, I testified to the Senate Governmental Organization Committee that June revenues provided us with more than \$4.2 billion in reserves at the end of September, which is well above the \$2.5 billion my office considers a prudent cash cushion. Although I will release the actual cash flow figures in my monthly report later this week, the preliminary numbers from July show that our cash position has further improved, providing added assurance that the State will have the resources to meet its payment obligations for all of September and into October.

“The Governor based his executive order to cut employees’ salaries to the federal minimum wage on a faulty premise that it would conserve the cash needed to pay our bills next month. Two consecutive months of improved revenues and decreased spending have rendered his executive order to be nothing more than a solution to a problem that does not exist in the immediate future.

“I have been working with commercial and investment bankers for the past several months to ensure the State can borrow to meet all of our payment obligations, and this news delays our need to borrow by several weeks. In light of our cash flow improvements, I respectfully urge the Governor to reconsider his executive order. To not do so would needlessly subject hundreds of thousands of hard-working public servants to financial harm and add more strain to our already fragile economy.

“Although the last two months of revenue performance are welcome news, it will not alleviate the need for California to engage in expensive and risky Wall Street borrowing later this year. The only way to avoid this borrowing is with a budget that contains sound revenue and expenditure solutions that are free from get-out-of-town gimmicks.”

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